Declassified/Released US Department of State EO Systematic Review 30 JUN 2005

Message Text

CONFIDENTIAL

PAGE 01 STATE 242423

44
ORIGIN OES-04

INFO OCT-01 ARA-06 EUR-08 IO-04 ISO-00 AEC-05 ACDA-05

SSO-00 NSCE-00 USIE-00 INRE-00 CIAE-00 DODE-00 PM-03

H-01 INR-05 L-01 NSAE-00 NSC-05 PA-01 RSC-01 PRS-01

SP-02 SS-15 EB-04 COME-00 AID-05 XMB-02 FRB-01 OMB-01

TRSE-00 SAJ-01 SAM-01 FEA-01 /084 R

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APPROVED BY OES/SCI/AE:JLBLOOM
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C:MR.TERRELL
USAEC:DIP:MR.HOYLE
S/S:JPMOFFAT
EUR/CE:LHEICHLER
---------- 118418
O O 042138Z NOV 74
FM SECSTATE WASHDC
TO AMEMBASSY BRASILIA IMMEDIATE
AMEMBASSY BONN IMM
INFO AMEMBASSY BUENOS AIRES IMM IMMEDIATE
USMISSION IAEA VIENNA IMM
USMISSION EC BRUSSELS IMM
AMCONSUL RIO DE JANEIRO IMM
AMCONSUL SAO PAULO IMM

C O N F I D E N T I A L STATE 242423

E.O. 11652: GDS
TAGS: TECH, BR, GW
SUBJ: FRG NUCLEAR ASSISTANCE TO BRAZIL

REF: A) BRASILIA 8161
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 STATE 242423

B) BONN 16967

Declassified/Released US Department of State EO Systematic Review 30 JUN 2005

Declassified/Released US Department of State EO Systematic Review 30 JUN 2005

C) STATE 17652
D) BRASILIA 6115

1. DEPT APPRECIATES PROMPT AND COMPREHENSIVE REPORTING FROM BONN IN RESPONSE TO REFTEL A, AND SUPPORTS BONN'S COMMENTS, SPECIFICALLY THAT FURTHER EXPLORATION OF THIS MATTER WITH FRG SHOULD BE DEALT WITH THROUGH FORMAL CONSULTATIONS BY U.S. WITH NUCLEAR EXPORTER NATIONS, OF WHICH FRG WILL BE ONE.

2. USG UNABLE REPEAT UNABLE AT THIS TIME PROVIDE ENRICHMENT SERVICES COMMITMENT TO BRAZIL BEYOND THAT PROVIDED IN REFTEL C AND IN AIDE MEMOIRE REPRESENTED TO FOREIGN MINISTRY AND QUOTED IN REFTEL D. AEC CONTRACTING FOR FURTHER ENRICHMENT SERVICES BEYOND AMOUNT ALREADY COMMITTED (INCLUDING SERVICES FOR BRAZIL) IS SUSPENDED PENDING POSSIBLE ENTRY OF PRIVATE ENTERPRISE INTO ENRICHMENT BUSINESS IN UNITED STATES. THIS POSITION HAS BEEN EXPLAINED TO HARRY JONES, WESTINGHOUSE WASHINGTON REP, WHO UNDERSTANDS FULLY.

3. WE FAIL TO UNDERSTAND HOW FRG COULD MAKE FIRM LONG-TERM ENRICHMENT SERVICES COMMITMENT TO BRAZIL, SINCE FRG AS PRODUCER IS INVOLVED ONLY IN TRIPARTITE URENCO OPERATION WHOSE PRESENTLY PROGRAMMED CAPACITY IS ALSO FULLY COMMITTED AND WHOSE LONGER-TERM PLANS APPARENTLY NOT YET DECIDED. THEREFORE, FRG APPEARS TO BE IN LESS FAVORABLE POSITION TO MAKE ENRICHMENT COMMITMENTS THAN IS UNITED STATES. ALTHOUGH U.S. CURRENTLY UNABLE TO ENTER INTO NEW ENRICHMENT SERVICES CONTRACTS, EMBASSY MAY WISH TO REITERATE TO GOBPRESIDENTIAL AND OTHER HIGH-LEVEL POLICY STATEMENTS TO EFFECT THAT ASSURED AND TIMELY AVAILABILITY OF ENRICHING SERVICES OVER LONG-TERM IS RECOGNIZED BY USG TO BE OF PARAMOUNT IMPORTANCE TO THOSE NATIONS SELECTING NUCLEAR POWER AS A MAJOR ENERGY SOURCE AND THAT IT IS U.S. POLICY TO ASSURE NON-DISCRIMINATORY ACCESS, AS BETWEEN FOREIGN AND DOMESTIC CUSTOMERS, TO A RELIABLE US SUPPLY OF SUCH SERVICES IN THE FUTURE.

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4. POSTS REQUESTED TO REPORT ANY INFORMATION AVAILABLE AS TO WHETHER FRG IS PREPARED TO ENTER INTO FIRM LONG-TERM CONTRACTS WITH BRAZIL AT THIS TIME, AND HOW IT PLANS BACKING UP ANY VERBAL ASSURANCES WHICH IT IS PREPARED TO GIVE.

5. EXIMBANK UNABLE REPEAT UNABLE MAKE FIRM FINANCING COMMITMENT BUT, AS INDICATED IN PRELIMINARY CONVERSA-

Declassified/Released US Department of State EO Systematic Review 30 JUN 2005

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TIONS HELD WITH FURNAS AND WESTINGHOUSE OFFICIALS, EXIMBANK WOULD OF COURSE BE WILLING TO CONSIDER SPECIFIC FINANCING APPLICATION.

6. WESTINGHOUSE REPS WILL VISIT DEPT. ON NOV. 4 TO DISCUSS MATTER FURTHER. DEPT. WILL REPORT RESULTS OF MEETING IF NEW INFO DISCLOSED. INGERSOLL

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Declassified/Released US Department of State EO Systematic Review 30 JUN 2005

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Draft Date: 04 NOV 1974
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Disposition Approved on Date:
Disposition Authority: golinofr
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US Department of State
EO Systematic Review
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